



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

April 29, 2011

The Honorable Ken Bennett
Secretary of State
1700 West Washington, 7th Floor
Phoenix, Arizona 85007

RE: SB 1386 (WICHE student loans; repayment)

Dear Secretary Bennett:

Today I vetoed SB 1386 relating to Western Interstate Commission for Higher Education Grants.

While I support the requirement that graduates who fail to meet their contract obligations repay the full amount of state support, I cannot support extending the repayment period to 25 years. Other states in the compact have much shorter repayment periods and may even include fiscal penalties for non-payment.

Sincerely,

A handwritten signature in black ink that reads "Janice K. Brewer". The signature is fluid and cursive, with the first name "Janice" being the most prominent.

Janice K. Brewer
Governor

cc: The Honorable Russell Pearce
The Honorable Andy Tobin
The Honorable Paula Aboud
Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

SENATE BILL 1386

AN ACT

AMENDING SECTION 15-1745, ARIZONA REVISED STATUTES; RELATING TO THE COMPACT
FOR WESTERN REGIONAL COOPERATION IN HIGHER EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-1745, Arizona Revised Statutes, is amended to
3 read:

4 15-1745. Contract with student certified by board

5 A. Before certifying a student to the commission the board ~~shall~~, on
6 behalf of this state, SHALL enter into a written contract with the student.
7 The contract shall set forth the methods and terms of repayment by the
8 student to this state and shall be on terms and conditions and in a form
9 provided by the board. The contract shall provide:

10 1. That the student ~~shall~~ within one year after completing his
11 professional education and internship SHALL begin the practice of his
12 profession within Arizona. If the student engages in postgraduate studies
13 and does so without a lapse of more than one year following the completion of
14 his professional course, ~~then~~ he shall begin practice within this state
15 within one year after completing the graduate studies. If the student is
16 involuntarily inducted into military service, or for other cause beyond his
17 control deemed sufficient by the board is unable to begin the practice of his
18 profession within one year after completing his professional education,
19 internship and any graduate studies, ~~then~~ he shall begin practice within this
20 state within one year after completing his required military service or the
21 termination of such other cause.

22 2. That if the student engages in the practice of his profession
23 within this state or while completing military service resulting from
24 involuntary induction, his indebtedness to this state may be discharged in
25 one of the following ways:

26 (a) By payment to this state of ~~one-half of~~ all sums expended by this
27 state for and in behalf of the student with interest at the rate prescribed
28 in subsection B.

29 (b) For each year of practice or internship within this state or in
30 military service there shall be discharged his obligation for one academic
31 year of study for which a portion of the cost was paid by this state, except
32 that each six months of practice shall discharge his obligation for one
33 academic year of study if such practice is confined to a locality within the
34 state where there is an exceptional need for his professional services as
35 determined and certified by the medical board of examiners or licensing board
36 of his profession.

37 3. That if the student fails to complete the required course of
38 professional study, or if the course of study is interrupted by one school
39 year or more for a cause or causes not resulting from involuntary induction
40 into military service or other cause beyond his control deemed sufficient by
41 the board, or if the student fails to practice his profession within the
42 state for such continuous time as completely discharges his obligation,
43 except for delays resulting from an excusable cause as prescribed in this
44 section, ~~one-half of~~ the entire sum paid for or on behalf of the student by
45 this state and not repaid or discharged as ~~herein~~ provided IN THIS SECTION

1 shall be due and payable forthwith with interest at the rate prescribed in
2 subsection B. The board may extend the time of payment over a period not
3 exceeding ~~fifteen~~ TWENTY-FIVE years and shall not require payment of interest
4 during the existence of any excusable cause as prescribed in this section.

5 4. That if the student does not begin practice in this state within
6 the time prescribed in this section but ~~shall have repaid~~ an agreed part of
7 the sum expended by this state in his behalf, the board may permit him to
8 discharge the balance of his obligation by subsequent practice within this
9 state.

10 5. That in the event of the death of the student during the period of
11 his education, internship or practice, his obligation to this state under
12 this article shall cease except as to any portion ~~which~~ THAT is then due.

13 B. The interest rate for a student's contract is the rate in effect
14 for the fiscal year during which the student begins the approved course of
15 professional study. The board shall establish the interest rate by November
16 1 of the current year for the following fiscal year. The board shall
17 establish a rate equal to the average interest rate of auctioned ninety-one
18 day United States treasury bills over the twenty-four month period ending
19 September 30 of the current year, except that the board may round the rate to
20 the nearest one-half per cent. Accrual of interest charges provided by the
21 contract begins on the first day of the first complete month following
22 graduation of the student or, for students who fail to complete their
23 required course of study, the first day of the first complete month following
24 the date when the student was no longer enrolled.

Passed the House April 18, 20 11,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

[Signature]
Speaker of the House

Cheryl Laube
Chief Clerk of the House

Passed the Senate March 1, 20 11,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

[Signature]
President of the Senate

Chaimin Billipso
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

19 day of April, 20 11,

at 9:15 o'clock A. M.

[Signature]
Secretary to the Governor

Approved this _____ day of

VETO, 20 _____,
at _____ o'clock _____ M.

Governor of Arizona

S.B. 1386

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20 _____,

at _____ o'clock _____ M.

Secretary of State